

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

9 9 — 0 0 9

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

June 1, 1999

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.252(b)

7. FEDERAL BUDGET IMPACT:

a. FFY 1998/99 \$ 2.1 million

b. FFY 1999/2000 \$ 2.2 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, pp 19.1 through 19.4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-A, pp 19.1 and 19.2

10. SUBJECT OF AMENDMENT:

Special Disproportionate Share Hospital (DSH) Pool

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ OTHER, AS SPECIFIED:

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

James K. Haveman, Jr.

14. TITLE:

Director

15. DATE SUBMITTED:

June 30, 1999

16. RETURN TO:

Michigan Department of Community Health
Medical Services Administration
P.O. Box 30479
Lansing, Michigan 48909-7979

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

6/30/99

18. DATE APPROVED:

6/6/01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1/1/99

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheryl A. Harris

21. TYPED NAME:

Cheryl A. Harris

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

DMIO - MICHIGAN

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: MICHIGAN

POLICY AND METHODS FOR ESTABLISHING RATES
(INPATIENT HOSPITAL SERVICES)

To be eligible for this pool, hospitals must:

- Meet the DSH eligibility requirements specified in Section III.G.
- Not be receiving any other Michigan Medicaid special inpatient hospital DSH payments,
- Have at least \$20 million in indigent charges in its DRG reimbursed units,
- Have at least 25% indigent volume in its DRG reimbursed units.

Distribution of funds from this special DSH pool will not preclude any hospital from receiving its share from the regular \$45 million DSH pools.

The pool will be distributed equally to all eligible hospitals (e.g. if five hospitals qualify, then each will receive one-fifth of the pool). Payment to an eligible hospital will not exceed the hospital's DSH ceiling minus any payments from the regular DSH pools. Any payment not made to a hospital due to this limit will be distributed equally to the remaining hospitals. To facilitate hospital cash flow, the initial payments may be made based upon an estimate of the amount of regular DSH payments that will be made to hospitals during state FY 1999.

- c. The Department of Community Health, Medical Services Administration (MSA) is creating a special DSH payment pool of up to \$5 million. The pool will be renewed annually at the same level.

The purpose of this pool is to:

- Assure continued access to medical care for indigents, and
- Increase the efficiency and effectiveness of medical practitioners providing services to Medicaid beneficiaries under managed care.

The MSA will approve one (1) agreement statewide with specific funding amounts each state fiscal year. To be eligible for the pool, a hospital must meet the following criteria:

- Meet the minimum federal requirements for DSH eligibility listed in Section III.G.
- Have in place an approved agreement between itself and a university with both a college of allopathic medicine and a college of osteopathic medicine that specifies all services and activities to be conducted using the funds provided through the agreement.

TN. 99-09

Supersedes

TN No. 99-08

Approval

EF date 6-1-99

Attachment 4.19-A

Page 19.2

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACTState: MICHIGAN**POLICY AND METHODS FOR ESTABLISHING RATES
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The payment amount from the special DSH pool will be specified in the approved agreement. This amount is subject to the maximum allowable DSH payment for the hospital for the state fiscal year including any payments made from the regular DSH pool. Under this policy, a single payment from the special DSH pool will be made within 30 days of the agreement being approved by the MSA.

The hospital and university, by accepting funds paid under this bulletin for cancer research and treatment projects involving low income individuals, and for outreach and education activities for health professionals in managed care involving low income patients, agree to the following:

Publication Rights

- News Releases – News releases pertaining to the services, study, data, or project will not be made without prior written DCH approval, and then only in accordance with the explicit written instruction from DCH.
- Publication – The hospital or university will not use, release, or publish any analyses, findings, results, or techniques developed or any information derived therefrom until such analyses, findings, results, or techniques have been reported to DCH and have become available for public disclosure. These analyses, findings, results, or techniques shall be considered available for public disclosure when 1) they have received positive action from DCH, 2) they have been formally accepted by DCH, or 3) ninety (90) days have elapsed after submission to DCH, whichever of the three may occur first. No material may be published which is exempt from disclosure under Michigan Public Act No. 442 of 1976 known as the "Freedom of Information Act" without express permission from DCH. The hospital or university will provide DCH, for its review, copies of all presentations or articles being submitted for publication at least thirty (30) days in advance of the presentation or publication date.
- Acknowledgment of State Participation/Support – All publications or oral presentations concerning the analyses, findings, results, or techniques developed will contain an acknowledgment of DCH's participation and support unless DCH requests in writing that their participation and support not be acknowledged. Furthermore, the hospital or university may not receive fees for any article in excess of the cost of preparation of the published article, excluding the cost of the research and compilation.
- Where activities supported by the DSH payment produce books, films, or other such copyrightable materials, the hospital or university may copyright such but shall acknowledge that DCH reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish and use such materials for governmental purposes, and to authorize others to reproduce and use such materials for non-commercial purposes in direct support of the Department's activities. Service recipient information or personal identification data may not be copyrighted. The hospital or university shall give recognition to DCH in any and all publication papers and presentations arising from the program and service project herein; DCH will do likewise.

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POLICY AND METHODS FOR ESTABLISHING RATES
(INPATIENT HOSPITAL SERVICES)

Prior Approval Rights

The hospital or university will submit proposed health promotion messages to DCH for prior review to assure consistency with DCH messages, guidance, and standards.

Reporting

The hospital or university will utilize all report forms and reporting formats required by the Department as noted below, at the effective date of the project and provide DCH with timely review and commentary on any new report forms and reporting formats proposed for issuance thereafter.

- The hospital or university shall submit the following reports on the following dates: Quarterly reports that address each objective and status of the activities under the work plan within 30 days after the end of each quarter. The final quarterly report will service as the final report, and be submitted within 30 days of the completion of the project period. The report should include a statistical summary and a program narrative that provides an evaluation of the project.
- Reports and information shall be submitted to:
Manager
Cancer Prevention and Control Section
MI Department of Community Health/CPHA
3423 N. Martin Luther King Blvd.
PO Box 3195
Lansing, MI 48909
- The Manager shall evaluate the reports submitted as described above for their completeness and adequacy.
- The hospital or university shall permit DCH or its designee to visit and to make an evaluation of the project as determined by the Manager.

Human Subjects

The hospital or university agrees to submit all research involving human subjects, which is conducted in programs sponsored by DCH or in programs which receive funding from or through the State of Michigan, to an institutional review board of appropriate authority for approval, prior to the initiation of the research.

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(INPATIENT HOSPITAL SERVICES)

I. Capital

The initial reimbursement for capital will be paid as a separate Capital Interim Payment (CIP). CIPs will be made using a semimonthly schedule (24 payments per year). The CIP amount will be set using the most recent available cost data and an estimated impact of any applicable limits on capital. CIP amounts will be set annually at the beginning of the hospital's fiscal year. CIPs may be adjusted due to significant changes in capital costs that are not reflected in the most recent cost report.

After the end of the facility's fiscal year, the total amount paid under CIP is compared with total capital cost as reported on the filed cost report for that year less any capital limits that apply. Differences are gross adjusted.

If a hospital has a separate distinct part psychiatric unit, separate CIPs, comparisons to actual costs and determination of appropriate limits will be made for the distinct part unit and the balance of the inpatient hospital.

The Medicaid share of allowable capital costs is determined using Medicare Principles of Reimbursement.

The limits on capital described in this section apply for fiscal years beginning on and after October 1, 1990. The net licensed beds days calculation for hospitals whose fiscal year begins after September 30, 1990 and before January 1, 1991 and that reduce their licensed bed capacity by delicensing beds or using the rural banked beds option before January 1, 1991 will be made as if the reduction occurred on October 1, 1990.

Net licensed beds are used to determine net licensed bed days for capital reimbursement and include all beds temporarily delicensed, except for rural banked beds, with rural as defined under section 2 below. Net licensed bed days are:

Total Licensed Bed Days - Rural Banked Bed Days

A hospital may apply for a reduction in net licensed beds days to subtract bed days unavailable due to construction or renovation. Such a reduction is only available for beds which are taken out of service for construction or renovation for a limited period of time and

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